



CONSOLIDATED FINANCIAL STATEMENTS

**Three Months ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)**

[Notice: These interim condensed consolidated financial statements have not been audited or reviewed by Novra's independent auditor.]

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NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Canadian dollars)

	NOTES	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
ASSETS			
Current Assets			
Cash		\$ 3,524,868	\$ 3,858,812
Trade and other receivables	3	1,184,643	883,319
Inventories		1,428,351	2,242,072
Prepayments and other		151,739	123,988
Total Current Assets		6,289,601	7,108,191
Non-Current Assets			
Equipment		40,409	47,972
Right-of-use assets	4	1,835,320	1,926,966
Intangible assets		1,019,673	1,165,510
Total Non-Current Assets		2,895,402	3,140,448
TOTAL ASSETS		\$ 9,185,003	\$ 10,248,639
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 1,374,805	\$ 1,674,392
Borrowings	6	54,596	103,487
Lease liabilities	11	413,502	481,968
Customer deposits		778,024	2,527,835
Deferred revenue - current portion		586,769	1,042,249
Advances from related parties	5(c)	1,125,411	1,054,908
Promissory notes from related party - current portion	5(d)	829,467	802,288
Total Current Liabilities		5,162,574	7,687,127
Non-Current Liabilities			
Borrowings	6	3,142,034	2,852,493
Lease liabilities	11	1,621,902	1,679,975
Deferred revenue		385,235	306,933
Promissory notes from related party	5(d)	87,016	103,049
Total Non-Current Liabilities		5,236,187	4,942,450
TOTAL LIABILITIES		10,398,761	12,629,577
Equity			
Share capital	7	7,369,869	7,369,869
Contributed surplus		500,576	500,576
Accumulated other comprehensive gain		143,832	222,073
Accumulated deficit		(8,828,568)	(9,714,195)
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF NOVRA		(814,291)	(1,621,677)
Non-Controlling Interests		(399,467)	(759,261)
TOTAL EQUITY		(1,213,758)	(2,380,938)
TOTAL LIABILITIES AND EQUITY		\$ 9,185,003	\$ 10,248,639

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Canadian dollars, except share data)

	NOTES	Three Months Ended March 31,	
		2021	2020
REVENUE	10	\$ 3,727,355	\$ 1,026,476
COST OF REVENUE		1,563,560	538,269
GROSS PROFIT		2,163,795	488,207
OPERATING EXPENSES			
General and administrative		343,104	314,666
Sales and marketing		198,339	280,788
Research and development		648,765	850,820
Total operating expenses		1,190,208	1,446,274
OPERATING INCOME (LOSS)		973,587	(958,067)
Other Income (Expenses)			
Foreign exchange gain (loss)		120,276	432,618
Finance income	9 (a)	79,218	61,158
Finance costs	9 (b)	(54,342)	(50,870)
INCOME (LOSS) BEFORE INCOME TAXES		1,118,739	(515,161)
Income tax recovery (expense)		-	-
NET INCOME (LOSS)		\$ 1,118,739	\$ (515,161)
OTHER COMPREHENSIVE LOSS, NET OF TAXES			
Foreign Currency Translation Adjustments on Wegener Consolidation		48,441	(498,902)
Total other comprehensive loss, net of taxes		48,441	(498,902)
COMPREHENSIVE INCOME (LOSS)		\$ 1,167,180	\$ (1,014,063)
EARNINGS (LOSS) PER SHARE:			
Basic		\$ 0.023	\$ (0.023)
Diluted		\$ 0.023	\$ (0.023)
Weighted average number of shares outstanding - basic		33,396,293	33,392,707
Weighted average number of shares outstanding - diluted		33,396,293	33,392,707
NET INCOME (LOSS) ATTRIBUTABLE TO :			
Shareholders of Novra		\$ 758,945	\$ (262,401)
Attributable to non-controlling interest		\$ 359,794	\$ (252,760)
		1,118,739	(515,161)
COMPREHENSIVE INCOME(LOSS) ATTRIBUTABLE TO:			
Shareholders of Novra		\$ 807,386	\$ (761,303)
Attributable to non-controlling interest		\$ 359,794	\$ (252,760)
		1,167,180	(1,014,063)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Canadian dollars, except share data)

NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non- Controlling Interest	Total Shareholders' Equity
At January 1, 2021							-
Total	35,396,293	\$ 7,629,869	\$ 500,576	\$ 95,391	\$ (9,587,513)	\$ (759,261)	(2,120,938)
Less: common shares held by subsidiary	(2,000,000)	\$ (260,000)					(260,000)
	33,396,293	7,369,869	500,576	95,391	(9,587,513)	(759,261)	(2,380,938)
Net income (loss)	-	-	-	-	758,945	359,794	1,118,739
Change in foreign currency translation	-	-	-	48,441	-	-	48,441
Share based compensation 7 (b)	-	-	-	-	-	-	-
Options Exercised 7 (b)	-	-	-	-	-	-	-
At March 31, 2021	33,396,293	\$ 7,369,869	\$ 500,576	\$ 143,832	\$ (8,828,568)	\$ (399,467)	\$ (1,213,758)

NOTES	Number of Common Shares	Common Shares	Contributed Surplus	Accumulated Other Comprehensive Loss	Accumulated Deficit	Non- Controlling Interest	Total Shareholders' Equity
At January 1, 2020							-
Total	35,372,307	\$ 7,626,989	\$ 494,844	\$ (31,181)	\$ (7,760,409)	\$ (160,489)	169,754
Less: common shares held by subsidiary	(2,000,000)	\$ (260,000)					(260,000)
	33,372,307	7,366,989	494,844	(31,181)	(7,760,409)	(160,489)	(90,246)
Net income (loss)	-	-	-	-	(262,401)	(252,760)	(515,161)
Change in foreign currency translation	-	-	-	(498,902)	-	-	(498,902)
Share based compensation 7 (b)	-	-	1,433	-	-	-	1,433
Options Exercised 7 (b)	24,000	2,880	-	-	-	-	2,880
At March 31, 2020	33,396,307	\$ 7,369,869	\$ 496,277	\$ (530,083)	\$ (8,022,810)	\$ (413,249)	\$ (1,099,995)

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Canadian dollars)

	NOTES	Three Months Ended March 31,	
		2021	2020
OPERATING ACTIVITIES			
Net income (loss)		\$ 1,118,739	\$ (515,161)
<i>Add items not affecting cash:</i>			
Depreciation and amortization	8	284,522	314,363
Share based compensation	7(b)	-	1,433
Interest expense	9(b)	54,342	50,870
Changes in non-cash working capital items:			
Trade and other receivables		(301,324)	(70,879)
Inventories		813,721	98,378
Other assets		(27,751)	(90,171)
Trade and other payables and accrued liabilities		(299,587)	561,632
Customer deposits		(1,749,811)	18,524
Deferred revenue		(377,178)	(139,740)
Advances Related Party		70,503	70,012
Changes in promissory notes			
Interest paid		-	(5,145)
Net cash provided by (applied to) operating activities		(413,824)	294,117
FINANCING ACTIVITIES			
Payments on lease liabilities	11(a)	(155,255)	(130,264)
Payments on WEDC repayable contribution	6(d)	(12,870)	(12,870)
Repayments on IMT promissory notes	5(d)	-	(20,730)
Repayments on Crocus loan	6(c)	(52,007)	-
Proceeds from disaster assistance funding	6	340,599	-
Exercise of stock options	7(b)	-	2,880
Net cash provided by (applied to) financing activities		120,467	(140,323)
Effect of exchange rates on cash and cash equivalents		(40,587)	(441,860)
Net increase in cash		(333,944)	(308,727)
Cash, beginning of period		3,858,812	3,176,327
CASH, end of period		\$ 3,524,868	\$ 2,867,600

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

1. General Information

Novra Technologies Inc. ("Novra") is incorporated under the Canada Business Corporations Act and its corporate office and principal place of business is 900-330 St. Mary Avenue, Winnipeg, Manitoba, Canada R3C 3Z5. Novra is a publicly traded company on the TSX Venture Exchange ("TSX-V") under the symbol NVI.

Novra has been in the satellite data distribution business since 2000. During 2016, Novra significantly expanded its product portfolio and global footprint with the acquisition of International Datacasting Corporation and its wholly-owned U.S. subsidiary (collectively referred as "IDC"), a long-time leader in the same sector. On December 29, 2017, Novra acquired a 51.6% controlling interest of Wegener Corporation ("Wegener") to further expand its footprint in digital media management and distribution technologies for applications including digital signage, radio and television.

Through its subsidiaries, Novra offers a comprehensive product portfolio including hardware, software, and services. In addition to its core video, radio, and data products, areas of expertise and added value include: encryption, next-generation hybrid networks (satellite/terrestrial/cloud), and efficient bandwidth utilization.

In these Consolidated Financial Statements, "Novra", "Company", "we", "us", or "our" refers to Novra Technologies Inc. and its subsidiaries.

The Board of Directors authorized the Condensed Consolidated Financial Statements for issue on May 31, 2021. These unaudited interim financial statements should be read in conjunction with Novra's annual audited Consolidated Financial Statements for the year ended December 31, 2020.

2. Basis of Preparation and Presentation

We have prepared these unaudited interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, they do not include all of the information and footnotes normally required in annual financial statements prepared under IFRS. In the opinion of management, these unaudited interim Condensed Consolidated Financial Statements reflect all adjustments considered necessary for a fair presentation of Novra's financial position and results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of the results for a full year. For areas involving a higher degree of management judgment or complexity, refer to Note 3 of the audited Consolidated Financial Statements for the year ended December 31, 2020.

The Condensed Consolidated Statement of Financial Position at March 31, 2021 and the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), of Changes in Equity and of Cash flows for the periods ended March 31, 2021 and 2020 have not been audited or reviewed by Novra's auditors. The Condensed Consolidated Statement of Financial Position at December 31, 2020 is derived from Novra's audited Consolidated Financial statements.

The tabular disclosures herein are presented in thousands, except for share data.

Functional and Presentation Currency

These consolidated statements are presented in Canadian dollars, which is the Company's functional currency.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

3. Current Assets

Details of selected asset balances are as follows:

a) Cash and cash equivalents

The Company's cash and cash equivalents are comprised of bank balances at financial institutions.

b) Accounts receivable

The Company's accounts receivable is comprised of the following:

	March 31, 2021	March 31, 2020
Trade accounts receivable	\$ 1,235	\$ 884
Less: allowance for doubtful accounts	50	66
Net trade accounts receivable	1,185	818
Canadian Emergency Wage Subsidy	-	61
Total trade and other receivables	\$ 1,185	\$ 879

As at March 31, 2021, four customers individually accounted for 87% of total receivables from contracts with customers.

4. Right-of-use Assets

The following table presents right-of-use assets for the Company:

	2021	2020
Balance, January 1	\$ 1,927	\$ 2,466
Depreciation	(167)	(140)
Effects on movement in exchange rates	75	51
Balance, March 31	\$ 1,835	\$ 2,377

5. Related Party Transactions

The following is a summary of Novra's related party transactions:

a) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of Novra. The key management personnel of Novra is the executive management team and the Board of Directors, who collectively control approximately 18% (President & CEO has direct and indirect ownership of 16%) of the total outstanding and issued common shares of Novra at March 31, 2021.

The following table discloses the compensation for the key management personnel for the first quarter.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

	Three Months Ended March 31,	
	2021	2020
Salaries and employee benefits	\$ 81	\$ 85
Share-based compensation	-	3
Directors' fees	3	3
Total	\$ 84	\$ 91

b) Transactions with other related parties

	Three Months Ended March 31,	
	2021	2020
Purchase of goods and services		
InfoMagnetics Technologies Inc. ("IMT") ⁽¹⁾	\$ -	\$ -
Interest on unsecured promissory notes		
IMT	10	12
	\$ 10	\$ 12

⁽¹⁾ Novra's President & CEO has a controlling interest in IMT.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

c) The breakdown of advances from related parties by party was as follows:

	March 31, 2021	December 31, 2020
Key management and directors (see part (a))	758	708
IMT	368	346
	\$ 1,126	\$ 1,055

At March 31, 2021, \$723 thousand (2020: \$540 thousand) was due to Novra's President & CEO in regards to unpaid salaries and expense reimbursements for current and prior years in which he voluntarily chose to not collect payment in the interest of preserving liquidity in the company. The payable amount bears no interest and has no repayment term.

d) The movement of unsecured promissory notes due to IMT was as follows:

	Base Rate +			2021	2020
	4% Fixed \$250k	2.5% Floating \$563k	4% Fixed \$381k		
At January 1	\$ 292	\$ 176	\$ 438	\$ 906	\$ 920
Loan repayments	-	-	-	-	(21)
Foreign exchange movement	-	1	-	1	21
Interest charged	3	3	4	10	12
Interest paid	-	-	-	-	(5)
At March 31	\$ 295	\$ 180	\$ 442	\$ 917	\$ 927
Maturity Dates:	Due on demand	Nov 1, 2022	Due on demand		

The following table shows the presentation of the above total IMT loans on Novra's Consolidated Statements of Financial Position at March 31:

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

	2021	2020
Current portion	\$ 830	\$ 789
Non-current portion	87	138
Total	\$ 917	\$ 927

6. Borrowings

The following is a breakdown of our total borrowings with third parties at:

	March 31, 2021	December 31, 2020
Revolving line of credit with the Chymiak Trust	2,109	2,136
Crocus loan	-	51
WEDC repayable contribution	193	205
Government disaster assistance funding	895	563
Total borrowings	3,197	2,955
Less: current portion	(55)	(103)
Total borrowings - non-current	\$ 3,142	\$ 2,852

a) Bank borrowings

The Royal Bank of Canada Credit Facility ("RBC Credit Facilities") includes a revolving demand facility up to \$845,000 and corporate Visa credit cards available for use up to a maximum limit of \$60,000. There was no movement in the credit facilities during the first quarter.

b) Revolving line of credit with the Chymiak Trust

There was no movement in the revolving line of credit with the Chymiak Trust during the current quarter. The decrease results from foreign exchange translation.

c) Crocus loan

The Crocus loan was paid off in the current quarter.

d) WEDC repayable contribution

During the current quarter, we did not receive any additional funds from WEDC. Repayment is scheduled for 60 consecutive monthly installments which commenced on April 1, 2019. Monthly contributions were paused from April to December 2020 due to the COVID-19 pandemic. Contributions recommenced on January 1, 2021. The contributions are subject to interest at the average bank rate plus 3% if any payments are late.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

e) Disaster assistance funding

Novra received funding from the Government of Canada through the Canada Emergency Business Account (CEBA) in the amount of \$40,000. The loan is interest free, administered through RBC and repayment on or before December 31, 2022 will result in forgiveness of 25% (up to \$10,000).

Wegener applied for and received funding from Truist Bank through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$344,910(USD\$260,900) in Q2 2020. Additionally, during Q1 2021, \$340,599 (USD\$269,035 was received). Management expects all or a substantial portion of the loan to be forgiven. However, the interpretation of legislated forgiveness rules continue to evolve and we are not able to confidently predict the amount of forgiveness that will be granted. The entire proceeds of the loan have been recorded in long term borrowings until the forgiveness amount is confirmed.

In August 2020, Wegener received additional financing in the amount of \$190,980 (USD\$150,000) through the U.S. SmallBusiness Administration, Office of Disaster Assistance. Funds were advanced with the following terms: interest of 3.75%, installment payments of US\$731/month begin after 12 months and the balance of principal and interest payable 30 years from the funding date.

7. Shareholders' Equity

a) Common Stock

The following table provides a summary of authorized as well as issued and outstanding capital for Novra at:

	March 31, 2021	December 31, 2020
Authorized:		
Unlimited Class "A" Common voting shares		
Unlimited Class "B" Common non-voting shares		
Unlimited Class "C" Preferred shares, redeemable and retractable at \$1,000		
Issued:		
33,396,293 (December 31, 2020: 33,396,293)		
Class "A" common voting shares	\$ 7,370	\$ 7,370

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

During the first quarter of 2021, there were no changes to options.

b) Stock Options

The following table provides a summary of stock option activity for the first quarter of 2021:

	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,124,000	\$ 0.12
Granted	-	\$ 0.12
Exercised	-	\$ 0.12
Forfeited	-	\$ 0.12
Expired		\$ 0.12
Outstanding, end of period	1,124,000	\$ 0.12

At March 31, 2021, the remaining stock option pool for future grants was 1,776,000.

The following table summarizes information about the stock options outstanding at March 31, 2021:

# of Options Outstanding	Grant Date	Expiry Date	Fair Value at Grant Date	# of Options Exercisable	Exercise Price
1,124,000	11-May-17	10-May-24	\$ 0.07	1,124,000	\$ 0.12
-	-		\$ -	-	\$ -
1,124,000				1,124,000	

8. Depreciation and Amortization

The following table presents the total depreciation and amortization expense by function.

	Three months ended March 31,	
	2021	2020
Cost of revenue	\$ 37	\$ 52
Selling and marketing	11	11
Research and development	189	200
General and administrative	47	51
	\$ 285	\$ 314

9. Finance Income and Finance Costs

(a) Finance Income

The Company qualified for the Canadian Emergency Wage Subsidy (CEWS) for the quarter ended March 2021 and received \$79 thousand from the Canadian Government. The CEWS is a federal government program created to provide financial support to businesses affected by COVID-19.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

(b) Finance Costs

The following table provides a breakdown of total finance costs during the first quarter.

	Three Months Ended March 31,	
	2021	2020
Interest expense:		
- Unsecured promissory notes (see Note 5(d))	\$ 10	\$ 12
- Crocus loan (see Note 6)	-	1
- Lease Commitments (see Note 11)	31	38
- Other interest and finance costs	13	-
	\$ 54	\$ 51

10. Revenues

The following table provides a breakdown of our revenues by category and geographic market at March 31:

Major Products/Service Lines	Three Months Ended March 31,	
	2021	2020
Hardware	\$ 3,280	\$ 536
Software	-	-
Services, Support and Extended Warranty	435	488
Other	13	2
	\$ 3,727	\$ 1,026

Geographic Market	Three Months Ended March 31,	
	2021	2020
Americas ex-Canada ⁽¹⁾	\$ 3,017	\$ 585
Canada	306	95
EMEA ⁽²⁾	7	90
APAC ⁽³⁾	397	256
	\$ 3,727	\$ 1,026

(1) The geographic region of the Americas includes North America, Central America and South America.

(2) EMEA consists of Europe, the Middle East and Africa.

(3) APAC consists of East Asia, South Asia, Southeast Asia and Oceania.

NOVRA TECHNOLOGIES INC.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three Months ended March 31, 2021 and 2020

(Tabular amounts are in 000's, except share data)

The timing of revenue recognition may differ from the timing of invoicing to customers. The following table provides a breakdown of revenue timing:

Timing of Revenue Recognition	Three Months Ended March 31,	
	2021	2020
Products transferred at a point in time	\$ 3,293	\$ 538
Products and services transferred over time	435	488
	\$ 3,727	\$ 1,026

11. Commitments and Contingent Liabilities

a) Leases

The Company leases office and production space for the head office and subsidiaries. We had no significant operating leases for equipment. Changes in the right-of-use asset are summarized in Note 4 of these Interim Consolidated Financial Statements. The following table is a summary of the changes in the lease liability during the period:

	2021
Balance, January 1, 2021	\$ 2,162
Interest	31
Effects on movement in exchange rates	(4)
Lease payments	(154)
Balance March 31, 2021	2,035
Less: current portion	(414)
Lease liabilities non-current, March 31, 2021	\$ 1,621

The following table presents the contractual undiscounted cash flows for lease obligations as at March 31, 2021:

Less than one year	\$ (520)
One to five years	(1,060)
More than five years	(952)
Total undiscounted lease obligations	\$ (2,533)

b) Purchase Commitments

In the normal course of business, we may enter purchase commitments, including inventory and third-party software license embedded in our products, to achieve economy of scale. At March 31, 2021, we had no purchase commitments which are due within one year. At March 31, 2020, we had \$78 thousand of purchase commitments which were due within one year.